

BOARD OF REGENTS
BRIEFING PAPER

- 1. Agenda Item Title:** Differential Fee Proposal for BS Graphic Design and Media
Meeting Date: December 5-6, 2013

2. BACKGROUND & POLICY CONTEXT OF ISSUE:

UNLV requests approval of differential fees for the BS Graphic Design and Media program, effective Fall 2014, so that adequate time to prepare for these changes can be given to all current and new students. Pursuant to the new differential program fee requirements, UNLV offers the following:

The BS Graphic Design and Media is a high demand program. A summary of the relative costs and other required Board responses is included in the attached information.

3. SPECIFIC ACTIONS BEING RECOMMENDED OR REQUESTED:

President Neal Smatresk requests approval of differential fees for UNLV's BS Graphic Design and Media program effective Fall 2014.

4. IMPETUS (WHY NOW?):

There has been a very strong growth in the number of majors at UNLV selecting the Graphic Design sub-plan for the BA in Studio Art since its 2008 inception (from six in 2008 to an estimated 142 in Fall of 2013). A majority of the students currently enrolled in the BA in Studio Art are expected to apply for admission to the newly created BS Graphic Design program which was approved by the board in June 2013 and would begin in Fall 2014 if the proposed differential fee is approved. Student placement in the Graphics Design field is also very good.

5. BULLET POINTS TO SUPPORT REQUEST/RECOMMENDATION:

- Differential fees will enable the Graphic Design department to offer classes on a regular basis to allow timely graduation, to accommodate the growth in student majors, and to purchase/maintain state of the art equipment for instruction.

6. POTENTIAL ARGUMENTS AGAINST THE REQUEST/RECOMMENDATION:

- Increasing fees is never well received.
- Students may delay completing their degree programs.

7. ALTERNATIVE(S) TO WHAT IS BEING REQUESTED/RECOMMENDED:

- Do not provide state of the art equipment and additional faculty to accommodate the high demand for the BS Graphic Design program.

8. COMPLIANCE WITH BOARD POLICY:

Consistent With Current Board Policy: Title # 4 Chapter # 17 Section # 22

Amends Current Board Policy: Title # _____ Chapter # _____ Section # _____

Amends Current Procedures & Guidelines Manual: Chapter # 7 Section # 8

Other: _____

Fiscal Impact: Yes No _____

Explain: Approval of these new differential fees will generate significant additional revenue for UNLV, to be used towards financial aid, and with the remainder going to the program for operational support per the Board Policy.

I. Summary Justification for Differential Fees

Differential fees are requested for the BS Graphic Design and Media degree, approved by the Board of Regents in June 2013. The requested differential fee is \$156.75 for upper division (300-400 level) undergraduate courses in this degree program. The US Bureau of Labor Statistics and the Nevada Department of Employment, Training and Rehabilitation both forecast a strong market for baccalaureate graduates with graphic design skills.

II. Student Involvement

In Fall 2013 after the B.S. Graphic Design degree was approved, graphic design faculty met with UNLV students to discuss proposed differential fees. Faculty met in various classroom settings with about 100 students enrolled in the current graphic design emphasis in the BA Studio Art degree. Faculty also met and discussed the newly approved BS Graphics degree and proposed differential fees with about 30 student members of the UNLV Student Association of Graphic Arts (SAGA).

Current graphic design emphasis students were pleased to hear that the Board of Regents had approved the BS Graphic Design degree in June 2013. The prospect of admission in defined cohorts with sufficient course offerings and sections, comprehensive subject matter, and a distinct degree program offering more professional preparation was widely appealing. Students accepted that the new degree program would require additional revenue to provide increased studio laboratory capability and availability. Students questioned how differential fees would be spent, and stated that the prospect of differential fees was acceptable provided that the fees, if approved, directly benefited students in the program. Many students are aware that the projected cost to attend UNLV even with the proposed differential fees would still generally be far below the cost of attending local or regional unaccredited professional training schools, such as the International Academy of Design and Technology – Las Vegas (IADT) and the Art Institute of Las Vegas at their current tuition and fee rates.

III. Special Course Fees

No Special Course fees are assessed for current graphic design courses in UNLV's Art Department. Special course fees will not be attached to current or proposed graphic design courses for students admitted into the new BS Graphic Design and Media degree program.

IV. Enrollment History, employer need and student demand

a. Five-Year Program Enrollments

Table 1 shows steady growth in the number of majors selecting the Graphic Design sub-plan for the BA in Studio Art since its 2008 inception. A majority of the students currently enrolled in the Graphic Design sub-plan are expected to apply for admission to the newly created BS Graphic Design program when it starts in Fall 2014.

Table 1: Five-year Historical Enrollments – Annual Average FTE majors – BA Studio Art -

Graphic Design sub-plan. Final data, except for Fall 2013

Year	AY 2008-9	AY 2009-10	AY 2010-11	AY 2011-12	AY 2012-13	Fall 2013 preliminary
Average Number of FTE majors	6	26	86	121	130	142

b. Admissions of students and graduation rates

The BS Graphic Design and Media degree program anticipates admitting 32 sophomore students each fall in Years 1, 2 and 3 of a four-year admissions cycle, and admitting 48 students in the fall of the fourth year of the cycle, for an average of 36 students per year. There will be additional admissions of qualified transfer students at the junior level. Admissions will be based on a faculty review of prospective students' portfolios submitted in the spring of the freshman year. Based on current rates of student attrition and transfer, assuming four years to complete the degree, which a majority of students desire, and which the new degree program is specifically designed to provide, the above-anticipated admission rate would generate an average of 22 graduates per year for a 61% four-year graduation rate.

c. Employer Need and Student Demand

National employment outlook information from the US Bureau of Labor Statistics (Table 2) shows that, nationally, an additional 37,300 graphic design jobs will be added between 2010 and 2020, a 13% increase that is about on par with the projected national average increase for all employment categories.

Table 2: National Employment Outlook for Graphic Design professionals – Occupational Outlook Handbook¹

Graphic Design Data from U.S. Occupational Outlook Handbook ¹	
2010 Median Pay	\$43,500 per year or \$20.92 per hour
Entry-Level Education	Bachelor's degree
Work Experience in a Related Occupation	None
On-the-job Training	None
Number of Jobs, 2010	279,200
Job Outlook, 2010-20	13%
Employment Change, 2010-20	37,300

¹ US Bureau of Labor Statistics Occupational Outlook Handbook - <http://www.bls.gov/ooh/arts-and-design/graphic-designers.htm> Accessed: September 18, 2013

State employment data from the Nevada Department of Employment, Training and Rehabilitation (DETR) (Table 3) shows that there will be a total of 860 openings over the 2010-2020 decade for persons with baccalaureate-level skills in graphics design.

Table 3: State Employment Outlook for Graphic Design professionals – Nevada Department of Employment, Training and Rehabilitation (DETR)²

	Graphic Design Bachelors degree	State of Nevada all occupations
Nevada total openings growth & replacement, 2010-20	860	434,380
Total – replacement	580	295,120
Total - growth	280	139,260
Nevada 2010 Employment	1,875	1,171,722
2010-2010 annual growth	1.5 % per year	1.2% per year
Average hourly wage	\$23.06	\$20.13
Equivalent annual pay at 2080 hours per year	\$47,950	\$41,860

Table 3 also shows that the average annual Nevada job growth for graphic designers, at 1.5%, per year over the 2010-2020 period, exceeds the 1.2% average anticipated job growth rate for Nevada. Additionally, DETR projects an increase of 28 new openings per year due to growth in addition to 58 openings per year to replace existing positions for a combined growth of 86 positions per year (860 over 10 years).

Currently, the level of in-state need for qualified professionals projected by DETR can only be met by hiring graduates trained outside of NSHE institutions. Once implemented, UNLV’s recently approved BS Graphic Media Design program is conservatively estimated to annually generate about 22 qualified graduates, which will meet about one-fourth of the annual in-state demand.

Today, a majority of students enrolled in the UNLV BA in Studio Art degree have chosen the graphic design emphasis because it is the option that most closely approaches a major in graphic design in the NSHE system. The graphic design emphasis has shown steady growth, attaining, in Academic Year 2012-13 values of 130 AAFTE (Table 1) and 142 in Fall 2013. Both the steady growth and level of enrollment indicates a strong base of demand to support the recently-approved BS Graphic Media Design degree program.

² Nevada Department of Employment, Training and Rehabilitation – data. Demand Occupations Excel file. Link <http://www.nevadaworkforce.com/?PAGEID=207> Accessed: September 18, 2013

A professional degree in Graphic Design and Media will also appeal to a group of students that we do not yet see at NSHE’s four-year institutions. This “hidden” demand consists of high school students who have decided early on a graphic design career, but don’t find their desired bachelor’s degree within NSHE. These students either go to private institutions that offer professional degrees, or, in some cases, to out-of-state public institutions. As one example, a computer graphics instructional leader at Southeast Career Technical Academy (SECTA), a Las Vegas public magnet high school with an established computer graphics program, estimates that about 80% of her graduates go on to higher education; about half of those graduates decide on a different college major, and the other half enrolls in private for-profit schools such as the Art Institute of Las Vegas, the International Academy of Design & Technology (IADT, Las Vegas) and the University of Advancing Technology (UAT, Tempe, Arizona). Students applying for admission to these schools do not currently consider applying to NSHE Institutions because they are looking for specialized baccalaureate degrees in graphic design that are not currently offered by UNLV, UNR or Nevada State College.

The recently-approved UNLV BS Graphic Design and Media degree will also include new subjects in its curriculum, such as 3-D graphics and computer animation that are not regularly offered in the current graphic design emphasis in the BA Studio Art program.

V. Program Cost

a. Budget History

The Five-Year Budget History for the Graphic Design specialization within UNLV’s BA in Studio Art is shown in Table 4. This budget history is based on an annual allocation of two (2) full-time tenured/tenure-track faculty, seven (7) part-time instructors (PTI’s), 20% of the Art Department’s full-time classified staff administrative assistant(s), five percent (5%) of the department’s operating budget, and 50% of the department’s undergraduate student wages.

Table 4. Five-Year budget history – UNLV BA Studio Art – Graphic Design emphasis

	A. Instruction Program Costs (Note 1)	B. Non- Instruction Pro-Rated General Fund Costs (Note 2)	C = A + B Total General Fund Program Costs	D. State General Fund Portion of Registration Fees and Tuition	E = C+D Pro-Rated General Fund Revenue	F. Total State Supported Revenue	G = (E/F)x100% Pro-Rated GF as % of Total Revenue
FY 09	\$220, 567	\$41,038	\$261,605	\$24,605	\$286,210	\$270,250,842	0.11%
FY 10	\$220,757	\$148,115	\$368,872	\$109,827	\$478,699	\$246,710,864	0.19%
FY 11	\$220,660	\$486,953	\$707,612	\$406,910	1,114,522	\$246,123,984	0.45%
FY 12	\$223,829	\$615,640	\$839,469	\$635,558	\$1,475,027	\$226,573,541	0.65%
FY 13	\$236,022	\$716,270	\$952,292	\$715,020	\$1,667,311	\$228,251,909	0.73%

Note (1)	Accounts for programs were identified by the Provost's Office. The Budget Office gathered budget data for the identified accounts from the Advantage Financial Data Warehouse.
Note (2)	This is allocated per Annual Average FTE calculation using the BA Studio Art Graphic Design emphasis' AAFTE to appropriate the non-instructional functions to the department's expenses.

The five-year budget history for the current BA Studio Art Graphic Design emphasis serves as the base cost without proposed differential fees for the recently approved BS Graphic Design and Media degree. In future fiscal and academic years, once the cohort-based program enrollment in the BS Graphic Design and Media program stabilizes, and, as graphic design course offer frequency is maintained a scheduled level where students can complete all major requirements in four years, it is estimated that the annual assigned effort will be four (4) full-time tenured/tenure-track faculty plus part-time instructors' (PTI's) teaching delivering a total of: 32 course sections per academic year with an average annual duplicated headcount of 497 students.

If the proposed differential fee request were to be approved, revenue would fund one of the four full-time faculty positions, all of the Graphics Design upper division PTI's, and also cover all program-related expenses for equipment, supplies and other operating costs. A detailed description of proposed program costs supported by differential fees is provided in Section VII.a below.

b. Comparison to external peer programs

UNLV's annual in-state fees and out-of-state tuition and fees, including proposed differential fees, for its recently approved BS in Graphic Design and Media are compared in Table 5 to annual tuition and fees assessed by 12 other public and specialized private institutions that offer a 4-year bachelor's degree in graphic design with a 'hands-on' classroom based face-to-face pedagogy.

Table 5. Comparison of annual tuition and fees for UNLV and 11 regional Graphic Design baccalaureate programs.³ Amounts shown do not include residence or meal plan costs.

Institution	Program type	Out-of-state annual tuition & fees assuming 15 credits per semester	In-state annual tuition & fees – assuming 15 credits per semester
California College of the Arts	Private-specialized	\$40,334	\$40,334
Otis College of Art and Design	Private-	\$39,430	\$39,430

³ Source data: US Department of Education Statistics: <http://nces.ed.gov/> Accessed 24 September 2013, <http://new.artinstitutes.edu/las-vegas/Programs/graphic-design/517>, <http://www.iadt.edu/Tuition-and-Financial-Aid>, <http://www.uat.edu/admissions/tuition.aspx> accessed October 7,2013

Institution	Program type	Out-of-state annual tuition & fees assuming 15 credits per semester	In-state annual tuition & fees – assuming 15 credits per semester
	specialized		
Art Institute of Las Vegas	Private-specialized	\$22,931	\$22,931
University of Advancing Technology (UAT) Tempe, AZ	Private-specialized	\$21,500	\$21,500
International Academy of Design and Technology- Nevada (IADT)	Private-specialized	\$16,200	\$16,200
University of California – Davis	Public	\$36,755	\$13,877
University of California – Los Angeles	Public	\$35,570	\$12,692
Northern Arizona University	Public	\$22,093	\$9,738
Arizona State University	Public	\$22,977	\$9,724
<i>UNLV estimate with proposed annual average differential fees (Note 1)</i>	Public	\$22,065	\$8,155
California State University - Sacramento	Public	\$18,278	\$6,620
California State Polytechnic University-Pomona	Public	\$17,783	\$6,125
California State University - San Jose	Public	\$16,530	\$5,370
Note 1 – Estimate for UNLV with proposed undergraduate differential fees at \$156.75 per credit x annual average 9.25 upper-division graphic media credits/year = \$1,450 /year added to \$6,705 base in-state fees = \$8,155. Adding the \$1,450 average annual differential fee to \$20,615 base out-of-state fees, the cost would be \$22,065.			

Table 5 shows that if proposed differential fees were to be approved, UNLV’s current in-state fees, would place a UNLV student’s annual cost 10th of 13 surveyed institutions offering a graphic design major.

VI. Projected Differential fee Revenues and Expenses – UNLV BS Graphic Design and Media – upper division courses

a. Summary of Use of Projected Differential Fee Funds Noted Above

Table 6 summarizes projected revenues and expenditures by broad category for UNLV’s BS Graphic Design and Media differential fees. Projected annual differential

fee revenue is calculated based on estimated annual average enrollment in 1,282 student-credit hours per year⁴ and the proposed differential fee rate of \$156.75 per credit-hour.

Table 6. Projected Annual Average Revenues and Planned Expenditure allocations for Proposed UNLV BS Graphic Media Differential fees, assuming 1,282 average credit-hours per year and \$156.75 differential fee per student credit-hour.

Projected Revenue	Projected Expenses			
Average annual projected revenue – undergraduate fee	Financial Aid at 15% of projected revenue	Non-consumable course-fee offset	Program-related expenses	Total
\$200,953	\$30,143	\$0	\$170,811	\$200,954

Projected expenditures would take place in two broad categories.

- Financial Aid - allocating 15% (\$30,143) of the \$200,954 projected annual revenue as scholarships to qualified student BS Graphic Design majors for whom paying differential fees represents an economic hardship.
- Program-related expenses, allocating 85% (\$170,811) of the \$200,954 projected annual revenue.

Table 7 shows a proposed budget with estimated annual expenditures in each of the three broad categories identified above in Table 6.

Table 7. Projected budget for Differential Fees – UNLV BS Graphic Design and Media

Category	Estimated annual average amount
Projected Revenue	\$200,954
Estimated Expenses	
1) Student financial aid at 15% of projected revenue	\$30,143
2) Program-related expenses	
Faculty salary and benefits	\$77,266
Salary and fringe benefits for part-time instructors (PTI's)	\$35,243

⁴ A cohort-based average annual admission rate of 36 students per year on a four-year schedule for graduation, with students completing an average of 3 Graphic Design courses and 9.25 credits per year (for a total of 12 courses and 37 differential fee-based credits over 4 years). This information, plus the current known attrition rate of 25% per year for BA Studio Art majors in the graphic design emphasis, with replacement of half the sophomore-junior attrition with junior transfers, is used to generate the estimate of 1,282 credit-hours/year.

Salary and fringe benefits for student wages	\$6,694
Equipment replacement and software license renewals	\$35,447
Operating supplies, such as printing paper and ink	\$15,027
Student professional activities and events	\$1,134
Subtotal Program-related expenses	\$170,811
3) = 1) + 2) Total Expenses	\$200,954

Expenses for faculty salary and benefits, PTI and student wages are expected to rise slowly each year due to cost-of-living increases and to increased fringe benefit costs, such as health insurance. The figures shown above are for an estimated average annual cost over the first 12 years of the program. Expenses in scheduled equipment replacement will vary over a four-year cycle, and may change over time as equipment prices vary.

b. Distribution of Proposed Differential fees

Table 8 shows the distribution of proposed differential fees based on the budgeted amounts shown above in Tables 6 and 7.

Table 8. Distribution of Proposed Differential fees – Effective Fall 2014 – BS Graphic Media

Category	Amount	Percentage of Revenue
Undergraduate Financial Aid	\$30,143	15 %
Non-Consumable Course Fee Offset		0 %
Program-related expenses	\$170,811	85 %
Total	\$200,954	100%

VII. Proposed Fee

If approved, proposed differential fee levels would be effective starting in Fall 2014 and would apply to all Fall, Spring and Summer terms. Table 9 shows the proposed differential fees that would apply to all 300-level and 400-level at a rate of \$156.75 per semester credit. This fee level is similar to the Board-approved \$156.75 differential fees for 300-400 level courses for the UNLV Schools of Architecture and Nursing.

Table 9. Requested Differential Fee – Courses with GRC prefix – UNLV BS Graphic Design and Media degree

Discipline	Course Prefix	Course Level	Amount (per credit hour)
Graphic Design and Media	GRC	300-level 400-level	\$156.75

PROPOSED REVISIONS – PROCEDURES & GUIDELINES MANUAL
CHAPTER 7, SECTION 8
DIFFERENTIAL PROGRAM FEES

Additions appear in *boldface italics*; deletions are [~~stricken~~ and bracketed]

Section 8. Differential Program Fees

Program	Course Prefix	Course Level	Amount	Effective Date
University of Nevada Las Vegas				
Architecture	AAD, AAE, ABS, AAL, LAND, AAI, AAP	300-400	\$156.75/credit	Spring 2012
Architecture	AAE, AAD	500-700	\$239.50/credit	Spring 2012
Business	MBA, FIN, MKT, MGT	500-700	\$100.00/credit	Spring 2012
Nursing	NURS	300-400	\$156.75/credit	Spring 2012
Nursing	NURS	500-700	\$239.50/credit	Spring 2012
Physical Therapy	DPT	500-700	\$239.50/credit	Spring 2012
Social Work	SW	700	\$125.00/credit	Fall 2012
Urban Leadership	UBL	700	\$150.00/credit	Fall 2012
<i>Graphic Design and Media</i>	<i>GRC</i>	<i>300-400</i>	<i>\$156.75/credit</i>	<i>Fall 2014</i>
University of Nevada, Reno				
Business	ACC, BADM, BUS, ENT, GAM, FIN, IS, MGT, MKT	600-700	\$100.00/credit	Fall 2011
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE	300-400	\$42.50/credit	Fall 2012*
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE	300-400	\$85.00/credit	Fall 2013*
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE	600-700	\$50.00/credit	Fall 2012*
Engineering	BME, ENGR, CHE, CEE, CPE, CS, EE, GE, ME, MINE, MSE	600-700	\$100.00/credit	Fall 2013*
Nursing	NURS	300-400**	\$156.75/credit	Spring 2014
Nursing	NURS	500-700***	\$239.50/credit	Spring 2014
Nevada State College				
Nursing-Accelerated Track Only	NURS	300-400	\$113.25/credit	Fall 2012

*Phase in of per credit fee over three years.

**Does not include NURS 300, which is a required pre-requisite course for the nursing program.

***Does not include NURS 700-level courses required for the Doctor of Nursing Practice Program curriculum. (Added 12/10; A. 4/11, 12/11, 11/12, 6/13)